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June 15, 2007

Mr. Charles L. A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
Synergy Business Park, The Saluda Building
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Application of Alltel Communications, Inc. for Designation as an
Eligible Telecommunications Carrier Pursuant to Section 214(e)(2)
of the Communications Act of 1934
Docket No. ~~2003-227-C~~ 2007-151-C

Dear Mr. Terreni:

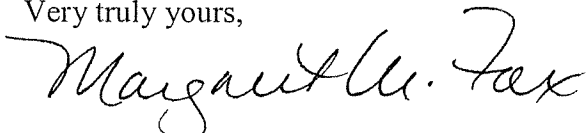
Enclosed for filing on behalf of the South Carolina Telephone Coalition, please find an original and two (2) copies of the Initial Testimony of Glenn H. Brown in the above-referenced matter. By copy of this letter and Certificate of Service, all parties of record are being served by U. S. Mail with a copy of this Testimony.

Please note that the attached document is an exact duplicate, with the exception of the form of the signature, of the e-filed copy submitted to the Commission in accordance with its electronic filing instructions.

Please clock in a copy of the Testimony and return it with our courier.

Thank you for your assistance.

Very truly yours,


Margaret M. Fox

MMF/rwm
Enclosures

cc: Parties of Record

Docket No. 2007-151-C

June 15, 2007

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INSTRUCTIONS

1 **Q. Please state your name and business address.**

2 **A.** My name is Glenn H. Brown, and my business address is PO Box 21173, Sedona,
3 Arizona 86341.

4 **Q. Please summarize your current employment and prior business experience.**

5 **A.** I am President of McLean & Brown, a telecommunications consulting firm
6 specializing in universal service and intercarrier compensation issues. Prior to
7 joining McLean & Brown in 1998, I worked for U S WEST for 28 years, during
8 which time I held a number of senior management positions in the regulatory and
9 public policy area. I have testified before numerous state regulatory commissions,
10 the Federal Communications Commission (FCC) and the United States Congress
11 on a wide variety of telecommunications costing, pricing and regulatory issues.
12 My last six years with U S WEST were spent in Washington, DC, where I was
13 very involved in the implementation of the Telecommunications Act of 1996, with
14 particular emphasis on universal service issues.

15 **Q. Please summarize your educational experience.**

16 **A.** I have a Bachelor of Science in Industrial Engineering from Lehigh University,
17 and an MBA from the University of Colorado. Both of my degree programs
18 focused on computer modeling technology and applications.

19 **Q. Please describe your experience with universal service issues.**

20 **A.** I have been active in almost every major universal service proceeding before the
21 FCC since the passage of the 1996 Act. In 1998, the FCC appointed the Rural
22 Task Force (RTF) to develop policy recommendations for rural
23 telecommunications carriers. While not a member of the RTF, I attended almost

1 all of its meetings, and assisted it in both analytical matters and in the preparation
2 and drafting of several white papers. In my current position I provide advice and
3 assistance to small and mid-size telecommunications companies regarding
4 universal service, intercarrier compensation and other regulatory and pricing
5 issues before federal and state regulatory bodies.

6 **Q. Have you previously testified before the Public Service Commission of South**
7 **Carolina?**

8 **A.** Yes. I was a witness for the South Carolina Telephone Coalition in Docket No.
9 2003-158-C, Petition of FTC Communications, Inc. d/b/a FTC Wireless for
10 Designation as an Eligible Telecommunications Carrier (ETC) in the State of
11 South Carolina.

12 **Q. On whose behalf are you presenting testimony?**

13 **A.** I am presenting testimony on behalf of the South Carolina Telephone Coalition
14 (SCTC), including its member companies listed in Appendix A to my testimony.

15 **Q. What are the purposes of your testimony?**

16 **A.** The purposes of my testimony are:

- 17 1. To discuss the important responsibilities of the Public Service Commission of
18 South Carolina (Commission) under the Telecommunications Act of 1996 in
19 regards to implementation of the federal universal service program. Under the
20 Act, and FCC rules, the Commission may approve additional Eligible
21 Telecommunications Carriers (“ETCs”) in areas served by rural telephone
22 companies only if the Commission determines that such designation is in the
23 public interest.

1 2. To describe how the standards for determining when approving a particular
2 ETC application is in the public interest have evolved over time, and comment
3 on the standards that the Commission should use in evaluating the public
4 interest aspects of the application of Alltel Communications, Inc. (Alltel) in
5 this proceeding.

6 3. To provide my opinion on whether the application of Alltel is consistent with
7 the public interest and should be approved by this Commission.

8 **COMMISSION RESPONSIBILITIES UNDER THE 1996 ACT.**

9 **Q. What are the key sections of the Telecommunications Act of 1996 and the**
10 **FCC rules that deal with universal service and the public interest test for**
11 **designating multiple ETCs?**

12 **A.** Section 214(e) of the 1996 Act (47 U.S.C. § 214(e)) deals with the designation of
13 multiple ETCs; 47 CFR 54.201 contains the FCC's corresponding regulations.

14 **Q. Please summarize the key elements of Section 214(e) and FCC rule 54.201**
15 **regarding the designation of multiple ETCs.**

16 **A.** 47 U.S.C. Section 214(e)(2) states that, to be eligible for ETC status, a carrier
17 must offer the defined universal service elements (the FCC rules currently define
18 nine elements) throughout the service area for which the designation is received,
19 and advertise the availability of such services in media of general distribution.
20 Section 214(e)(2) states that, consistent with the public interest, convenience and
21 necessity, the Commission *may*, for rural telephone companies, and *shall*, for non-
22 rural companies, designate more than one ETC. It further states that, "before
23 designating an additional [ETC] for an area served by a rural telephone company,

1 the State commission shall find that the designation is in the public interest.”

2 FCC Rule 54.201 contains very similar language.

3 **THE EVOLVING PUBLIC INTEREST STANDARDS FOR COMPETITIVE ETC**
4 **DESIGNATION**

5
6 **Q. You said that Section 214(e)(2) states that before approving an additional**
7 **ETC in an area served by a rural telephone company, the state commission**
8 **must first find such designation to be in the public interest. Does the 1996**
9 **Act or the FCC regulations say how this determination should be made?**

10 **A.** While neither the 1996 Act nor the FCC rules provide specific guidance in
11 conducting the public interest test, over the past seven years the FCC has issued a
12 series of decisions that have provided an evolving set of guidelines regarding how
13 it believes that the public interest determination should be made. In looking back
14 over this time period there have been three distinct phases in the evolution of the
15 FCC’s thinking. The specific orders that defined these phases, and some of the
16 key characteristics of the public interest criteria utilized during each phase are as
17 follows:

18 **1. The *Wyoming* and *Alabama* Orders¹**

- 19 • December, 2000 through January, 2004
- 20 • Competition defines the public interest
- 21 • Designation of multiple ETCs would advance competition in high-cost
- 22 rural areas, and therefore is in the public interest

¹ *In the matter of Federal-State Joint Board on Universal Service, Western Wireless Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming*, CC Docket No. 96-45, DA 00-2896, released December 26, 2000. (Wyoming Order). *In the Matter of Federal-State Joint Board on Universal Service, RCC Holdings, Inc. Petition for Designation as an Eligible Telecommunications Carrier Throughout its Licensed Service Area in the State of Alabama*, CC Docket No. 96-45, DA 02-3181, released November 27, 2002. (Alabama Order).

- Although not formally stated, burden was on the wireline incumbent to prove that the ETC designation was not in the public interest

2. The *Virginia Cellular Order*²

- January, 2004 through March, 2005
- Competition, alone, was not sufficient to satisfy the public interest test
- A more stringent, public interest test was necessary due to rapid growth in support to competitive ETCs
- A fact-specific analysis was required to demonstrate that the benefits of designating multiple ETCs outweighed the costs of supporting multiple networks
- The competitive ETC must demonstrate its commitment and ability to provide the supported services throughout the designated service area within a reasonable time frame
- It was clearly stated that the burden is on the ETC applicant to prove that its designation as an ETC in the rural telephone company is in the public interest

3. The March 17, 2005 *ETC Designation Order*³

- This Order was issued in response to a Recommended Decision by the Federal-State Joint Board on Universal Service released February 27, 2004.
- The Order provides that in satisfying its burden of proof, the ETC applicant must:
 - Provide a five-year plan demonstrating how high-cost universal service support will be used to improve its coverage, service quality or capacity in every wire center for which it seeks designation and expects to receive universal service support;
 - Demonstrate its ability to remain functional in emergency situations;
 - Demonstrate that it will satisfy consumer protection and service quality standards;

² *In the Matter of Federal-State Joint Board on Universal Service, Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier In the Commonwealth of Virginia* CC Docket No. 96-45, FCC 03-338, released January 22, 2004. (Virginia Cellular Order).

³ *Report and Order, In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, FCC 05-46, released March 17, 2005. (ETC Designation Order).

➤ Offer local usage plans comparable to those offered by the ILEC in the areas for which it seeks designation; and

➤ Acknowledge that it may be required to provide equal access if all other ETCs in the designated service area relinquish their designation.

As can be clearly seen, there has been a steady progression to more rigorous ETC evaluation standards as the FCC has gained real-world experience with the ETC designation process and its impact on the overall size of the USF.

Q. Have there been more recent developments that indicate further evolution in prevailing opinion surrounding the consideration of the public interest impacts of ETC designations?

A. Yes. On May 1, 2007, the Federal-State Joint Board on Universal Service (Joint Board) issued a Recommended Decision in which it recommended that the FCC “take immediate action to rein in the explosive growth in high-cost universal service disbursements.”⁴ Specifically, the Joint Board recommended that:

- The FCC impose an interim, emergency cap on the amount of high-cost support that competitive eligible telecommunications carriers (CETCs) may

⁴ Recommended Decision *In the Matter of High-Cost Universal Service Support and Federal-State Joint Board on Universal Service*, WC Docket No. 05-337 and CC Docket No. 96-45, FCC 07J-1, released May 1, 2007 (Recommended Decision) at paragraph 1. The Joint Board goes on to state at paragraph 4 “While support to incumbent local exchange carriers has been flat or even declined since 2003, by contrast in the six years from 2001 to 2006, competitive ETC support grew from \$15 million to almost \$1 billion – an annual growth rate of over 100 percent. Based on current estimates, competitive ETC support in 2007 will reach at least \$1.28 billion if the Commission takes no action to curtail its growth. Moreover, if the Commission were now to approve all competitive ETC petitions currently pending before the Commission, high-cost support for competitive ETCs could rise to as much as \$1.56 billion in 2007. (This estimate does not include the effects of states granting any of the more than 30 competitive ETC petitions that are currently pending in various state jurisdictions.) High-cost support to competitive ETCs is estimated to grow to almost \$2 billion in 2008 and \$2.5 billion in 2009 even without additional competitive ETC designations in 2008 and 2009.”

1 receive for each state based on the average level of CETC support distributed
2 in that state in 2006;⁵

- 3 • The Joint Board further explored comprehensive high-cost distribution
4 reform;⁶ and
- 5 • The FCC should consider abandoning or modifying the identical per-line
6 support rule, since this rule seems to be one of the primary causes for the
7 explosive growth in the fund.⁷

8 At the same time that the Joint Board issued its Recommended Decision, it also
9 released a Public Notice seeking comment on various proposals to reform the
10 high-cost universal service distribution mechanisms. What is clear from this
11 Recommended Decision is that the reality is now beginning to sink in that prior
12 standards for CETC designation and funding were too loose, and the result has
13 been an explosive growth in funding that now threatens the very sustainability of
14 the universal service fund. In hindsight, this Commission was wise to apply the
15 rigorous standards that it did in its decision in the FTC Wireless ETC case in
16 2005.⁸

17 **Q. How did this Commission address the need to consider the impact of growth**
18 **in the universal service fund on the public interest determination process in**
19 **its earlier decision?**

20 **A.** In its 2005 decision denying ETC status to FTC Wireless the Commission stated:

⁵ *Id* at paragraph 1.

⁶ *Id*.

⁷ *Id* at paragraph 12.

1 FTC has not addressed the very real risks that spreading finite
2 universal service resources too thin will create to critical “carrier of
3 last resort” principles.⁹
4

5 The Commission went on to say that:
6

7 Explosive growth in the size of the federal USF could threaten the
8 long-term viability of the fund, thereby jeopardizing the continued
9 provision of affordable basic local exchange service to rural
10 subscribers. ... The federal USF is and should be treated as a scarce
11 national resource.¹⁰
12

13 I have participated in many ETC cases throughout the country in the past few
14 years, and I found the Commission’s decision in the FTC case to be one of the
15 most thoughtful and forward-looking decisions in terms of its attention to the
16 sustainability of the USF and its seeking to approve additional ETCs only when
17 such funding can be clearly demonstrated to be in the public interest.

18 **Q. Do you believe that excessive growth in the fund is a factor which should be**
19 **taken into consideration in the public interest analysis?**

20 **A.** Yes. I believe that the Joint Board said it well in the Recommended Decision
21 when it said “High-cost support has been rapidly increasing in recent years and,
22 without immediate action to restrain growth in competitive ETC funding, the
23 federal universal service fund is in dire jeopardy of becoming unsustainable.”¹¹
24 The public has much at risk if the sustainability of the universal service fund is
25 threatened. Rural telephone companies, such as the SCTC members, have relied
26 on sufficient and predictable universal service funding to construct and maintain

⁸ Order No. 2005-5, dated January 7, 2005 in Docket # 2003-158-C *IN RE: Application of FTC Communications DBA FTC Wireless for Designation as an Eligible Telecommunications Carrier Pursuant to Section 214(e)(2) of the Communications Act of 1934.*

⁹ *Id.* at page 28, Findings and Conclusions paragraph 14.

¹⁰ *Id.* at page 31, Findings and Conclusions paragraph 15.

1 wireline networks that not only provide ubiquitous wireline telecommunications
2 services to rural consumers, but in many cases provide the network fabric that ties
3 the towers of wireless carriers together so that they can provide wireless
4 telecommunications services. If excessive growth causes the fund to become
5 unsustainable, then the ability of all ETCs, wireline or wireless, to function as
6 reliable Carriers of Last Resort would be threatened, and the public interest would
7 be greatly harmed.

8 **Q. How should the Commission take growth in the fund into consideration in its**
9 **public interest analysis?**

10 **A.** This should be a part of the cost/benefit analysis which lies at the heart of an
11 effective public interest analysis. The public interest is advanced when the benefit
12 that the public receives from the expenditure of scarce public funds exceeds the
13 public costs incurred, and the public interest is harmed when public benefits fail
14 to exceed public costs. One obvious cost is the amount of explicit high-cost
15 funding provided to the ETC applicant. Another set of costs that also needs to be
16 taken into consideration are the costs to fund additional ETCs in the same service
17 area if multiple ETC applications are being considered, as well as the loss in
18 network efficiency if multiple CETCs are approved in the same high-cost rural
19 areas.

¹¹ Recommended Decision at paragraph 4.

1 **Q. Should the Commission take the concerns expressed in the Joint Board’s**
2 **recommended decision into consideration in its public interest determination**
3 **in this case?**

4 **A.** Absolutely. This Commission has previously expressed its concerns regarding the
5 impact that “explosive growth” in the fund could have on the provision of
6 affordable service to rural consumers. The fact that an expert group consisting of
7 four state commissioners, three federal commissioners and one consumer
8 advocate have also used terms such as “explosive growth” and “unsustainable” in
9 describing the current state of the federal universal service fund¹² shows the
10 foresight that this Commission has demonstrated in its prior ETC designation
11 Order. The SCTC would encourage the Commission to continue its careful
12 analysis of the public interest in its evaluation of new ETC applications, including
13 Alltel’s, and the impact of any such designations on South Carolina consumers,
14 and consumers nationwide.

15 **Q. In addressing the need for longer-term USF distribution reform, the Joint**
16 **Board has recommended that the FCC consider abandoning or modifying**
17 **the “identical support or portability rule.”¹³ What is this rule, and how does**
18 **this rule impact the public interest analysis in this proceeding?**

19 **A.** Under current FCC rules, a competitive ETC receives the same per-line support as
20 the incumbent wireline carrier. In my opinion this rule is an anachronism from
21 the days of viewing the purpose of universal service funding as being to “promote

¹² While FCC Commissioner Michael Copps dissented from the Recommended Decision, his concerns were with the imposition of an interim cap, and not with the need for immediate action to reform the USF distribution process.

1 competition,” represents a poor use of scarce public funds, and is long overdue for
2 reform. As the Joint Board has observed, “The identical support rule seems to be
3 one of the primary causes of the explosive growth in the fund.” The impact of this
4 rule in the instant proceeding is that it makes the network improvement plan
5 requirement introduced by the FCC with the March, 2005 ETC Designation Order
6 an even more important part of the public interest analysis.

7 **Q. Why is the network improvement plan such an important component of the**
8 **public interest analysis?**

9 **A.** Under the FCC’s rules, incumbent local exchange carriers (ILECs) receive high-
10 cost support based upon the actual costs they have incurred in fulfilling their
11 Carrier of Last Resort obligations to serve ubiquitously throughout their service
12 area, even in the highest-cost areas. Actually, ILECs do not receive compensation
13 from the high-cost fund until *two years after* they have incurred such expenses.
14 Under the equal-per-line support rule, wireless carriers receive the same per-line
15 support as the ILEC for each handset with a billing address in the ILEC’s service
16 territory from day-one of its ETC designation. In other words, a wireless carrier
17 does not need to make any investment in high-cost rural telecommunications
18 infrastructure to begin receiving substantial “support” payments from the high-
19 cost universal service fund. Without some meaningful and enforceable
20 commitment to invest these funds in the towers and other wireless
21 telecommunications infrastructure necessary to deliver high-quality signal
22 coverage in sparsely populated rural areas where such investment would not

¹³ Recommended Decision at paragraph 12.

1 otherwise be economically viable, a wireless ETC would be able to receive
2 substantial high-cost funds merely for continuing to serve its existing (and
3 presumably lower-cost) customer base. It is for this reason that the FCC placed
4 the requirement for a five-year network build out plan in its requirements for ETC
5 applications where it has jurisdiction, and encouraged state commissions to
6 include a similar requirement in their ETC designation rules.

7 **Q. Are there other ways in which the “equal-per-line” rule has contributed to**
8 **the explosive growth in the high-cost fund?**

9 **A.** Yes. Under current FCC rules, a wireless CETC receives the same “per-line”
10 support as the wireline incumbent for each and every wireless handset that a
11 customer uses. In the case of a family of four, where each member of the
12 household has their own handset, a wireless CETC serving that family would
13 receive four “lines worth” of support. The wireline carrier may serve the same
14 family with a single “line” that serves all of that family’s wireline voice and
15 broadband data communications needs. In such a situation the wireline carrier
16 would only receive a single “line worth” of high-cost support.

17 **Q. Are there other factors that the Commission should consider in making its**
18 **public interest analysis?**

19 **A.** Yes. Another factor contributing to the explosive growth in the Federal high-cost
20 fund is the provision of “high-cost” support to multiple wireless CETCs in the
21 same rural ILEC study areas. In his comments before the Joint Board’s en-banc
22 hearing on February 20, 2007, FCC Chairman and Joint Board member Kevin
23 Martin stated:

1 But today we have a problem. Currently we are subsidizing
2 multiple competitors to provide voice services in rural areas.
3 When I first arrived at the Commission in 2001, I dissented from
4 the Commission's policy of using universal support as a means of
5 creating government-managed "competition" for phone service in
6 high cost areas. I was hesitant to subsidize multiple competitors to
7 serve areas in which costs are prohibitively expensive for even one
8 carrier. In fact at the time I warned that this policy would make it
9 difficult for any one carrier to achieve the economies of scale
10 necessary to serve all of the customers in a rural area, leading to
11 inefficient and/or stranded investment and a ballooning universal
12 service fund. Today I am sad to report that is exactly where we
13 are. [emphasis in original]
14

15 **Q. Why is the subject of multiple wireless ETCs in high-cost rural study areas**
16 **an issue in this proceeding?**

17 **A.** It is an issue since in Docket Nos. 2003-227-C and 2007-193-C, both of which are
18 currently pending before this Commission, Hargray Wireless and FTC wireless,
19 respectively, have applied for ETC status in ETC study areas that totally overlap
20 areas where Alltel has requested ETC designation. As Chairman Martin has
21 stated, subsidizing multiple carriers in areas that are prohibitively expensive for
22 even one carrier can be wasteful of scarce public funds, and is a factor in the
23 current and unsustainable explosive growth in the fund. Ironically, subsidizing
24 multiple wireless carriers may, as Chairman Martin notes, actually make it more
25 difficult for any one carrier to achieve the necessary scale economies to invest to
26 provide high-quality service *throughout* the ETC service area, as required by
27 Section 214(e)(1) of the 1996 Act. This would harm consumers in that they
28 would not experience the ubiquitous wireless coverage that they need and deserve,
29 even while funding to multiple wireless CETCs is growing the fund to
30 unsustainable levels. In making its public interest determinations the Commission

1 should carefully weigh whether designating two or more wireless competitive
2 ETCs in the same high-cost rural study areas will best serve the needs of rural
3 South Carolina consumers, and whether it will speed or retard the delivery of
4 high-quality wireless signal coverage throughout rural South Carolina.

5 **PUBLIC INTEREST ANALYSIS OF ALLTEL'S APPLICATION**

6 **Q. Has the Commission offered any guidance on what public interest standards**
7 **it plans to employ in evaluating the public interest aspects of the Alltel**
8 **application and other ETC applications that are currently pending before it?**

9 **A.** On March 26, 2007, the Commission issued a Notice initiating a rulemaking
10 proceeding to develop a single set of eligibility standards for ETC designation.
11 The Notice contained a set of proposed rules that were similar, but not identical,
12 to rules for ETC designation contained in Part 54.202 of the FCC's rules. The
13 Notice requested comments by interested parties on June 1, 2007, and scheduled a
14 public hearing for June 26, 2007 to receive comments on the proposed rules. In
15 response to this Public Notice, several parties, including the SCTC filed
16 comments on June 1, 2007. In its comments the SCTC made the following
17 observations:

- 18 • The Commission's proposed regulation addressing the public interest standard
19 does not set forth a specific public interest standard that adequately protects
20 the public interest and the scarce resources of the federal high-cost universal
21 service fund. Specifically:
 - 22 ○ The proposed regulation does not require the Commission to take into
23 consideration whether or not granting a particular application would help

1 further the goals and purposes of the federal high-cost universal service
2 fund;

3 ○ The proposed regulation does not require the Commission to undertake a
4 cost-benefit analysis prior to making a determination that would
5 potentially require the expenditure of public funds to support the
6 additional CETC.

- 7 • The Commission should clarify that the public interest determination is to be
8 made separately for each rural telephone company study area included in the
9 area for which the applicant seeks designation as a CETC.
- 10 • There is not enough detail in the proposed regulation regarding exactly what
11 commitments are required of applicants and how specific requirements are to
12 be met.

13 **Q. Has the Commission issued any additional guidance as to the standards that**
14 **parties should use when evaluating ETC applications during the interim**
15 **period prior to issuance of the Commission's ETC regulations?**

16 **A.** Yes. On May 30, 2007 the Commission issued a Directive clarifying that it would
17 consider the FCC guidelines in conjunction with the Commission's existing
18 framework of analysis of ETC applications as reflected in the Commissions Order
19 No. 2005-5, the Order addressing FTC Wireless' earlier ETC application. The
20 Directive also clarified that the Commission would be informed by – but not
21 controlled by – the FCC guidelines, and that the public interest should be the
22 paramount factor. While it would have been preferable to determine the rules for
23 the required factual showings and criteria for the public interest evaluation prior to

1 the consideration of individual ETC applications, I will conduct my evaluation
2 consistent with the Commission's Directive.

3 **Q. What standards will you be using in evaluating the Alltel application and**
4 **whether you believe that its approval would be in the public interest?**

5 **A.** The cornerstone of any evaluation must be the public interest, and a facts-and-data
6 intensive analysis of the public benefits and public costs of each specific ETC
7 designation. As directed, I will organize my comments on the Alltel application
8 around the five principle areas addressed in the guidelines provided by the FCC in
9 the ETC Designation order, specifically that the ETC applicant must:

- 10 • Provide a five-year plan demonstrating how high-cost universal service
11 support will be used to improve its coverage, service quality or capacity in
12 every wire center for which it seeks designation and expects to receive
13 universal service support;
- 14 • Demonstrate its ability to remain functional in emergency situations;
- 15 • Demonstrate that it will satisfy consumer protection and service quality
16 standards;
- 17 • Offer local usage plans comparable to those offered by the ILEC in the areas
18 for which it seeks designation; and
- 19 • Acknowledge that it may be required to provide equal access if all other ETCs
20 in the designated service area relinquish their designation.

21 In addition, and consistent with my understanding of the Commission's directive,
22 I will include other factors which are important to the consideration of the public
23 interest, including the specific factors contained in the SCTC's June 1, 2007
24 comments, as well as the information and factors contained in the Joint Board's
25 Recommended Decision of May 31, 2007 as described earlier in my testimony.

1 **Q. Have you reached any conclusions at this time regarding whether approval**
2 **of Alltel's application would be in the public interest?**

3 **A.** Under the public interest criteria that have been in place since the FCC's Virginia
4 Cellular Order, Alltel carries the burden of proving that approval of its application
5 would be in the public interest. I presume that Alltel will be making its best
6 efforts towards this end in its initial testimony filing, which is being made
7 concurrent with this testimony. In the spirit of fairness, I will withhold my
8 opinion on the public interest aspects of Alltel's application until after I have had
9 a chance to review its testimony and supporting data, and will provide the
10 Commission with my conclusions from that review in my reply testimony which
11 is due to be filed on June 28, 2007.

12 **Q. Does this conclude your testimony at this time?**

13 **A.** Yes.

Appendix A

List of Participating South Carolina Telephone Coalition Member Companies

Chesnee Telephone Company
Chester Telephone Company
Ft. Mill Telephone Company, d/b/a Comporium Communications
Home Telephone Company, Inc.
Horry Telephone Cooperative, Inc.
Lancaster Telephone Company, d/b/a Comporium Communications
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
PBT Telecom
Ridgeway Telephone Company
Rock Hill Telephone Company, d/b/a Comporium Communications
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2007-151-C

Application of Alltel Communications, Inc.)
for Designation as an Eligible)
Telecommunications Carrier Pursuant to)
Section 214(e)(2) of the Communications)
Act of 1934)

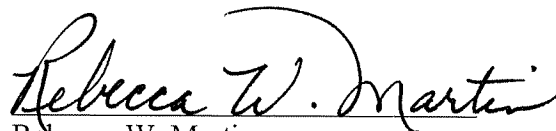
**CERTIFICATE
OF SERVICE**

I, Rebecca W. Martin, Secretary for McNair Law Firm, P. A., do hereby certify that I have this date served one (1) copy of the Initial Testimony of Glenn H. Brown on behalf of the South Carolina Telephone Coalition regarding the above-referenced matter on the following parties of record by causing said copies to be deposited with the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below.

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June 15, 2007

Columbia, South Carolina